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EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT PAPER NUMBER

3624

DATE MAILED: 10/29/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/602,254

Applicant(s)

ABRAHAMS ET AL.

Examiner

Narayanswamy Subramanian

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 23 June 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-35 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-35 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

### Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

**DETAILED ACTION**

1. Original claims 1-35 have been examined. The rejections are stated below.

***Claim Rejections - 35 USC § 102***

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) do not apply to the examination of this application as the application being examined was not (1) filed on or after November 29, 2000, or (2) voluntarily published under 35 U.S.C. 122(b). Therefore, this application is examined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

3. Claims 1-35 are rejected under 35 U.S.C. 102(e) as being anticipated by Graff (US Patent 6167384).

With reference to claim 1, Graff teaches a computer system for storing data for use by a process, the memory comprising: a structure representing a financial instrument reflecting an obligation of a first party to make at least one payment, triggered by at least one event associated with the payment obligation, to a second party, wherein the structure indicates that the financial instrument is held by a third party in a form decoupled from the payment obligation such that the financial instrument can be conveyed independently of the payment obligation (See Graff

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Column 5 line 1 – Col6 line 52). The computer system includes a memory for storing data (See Graff figure 2 and Column 27 lines 55-65).

With reference to claim 2, Graff teaches a memory of claim 1, wherein the payment obligation is securitized (See Graff Column 7 lines 49-52).

With reference to claim 3, Graff teaches a memory of claim 1, wherein the financial instrument is tradable (See Graff Column 10 lines 18-25).

With reference to claim 4, Graff teaches a memory of claim 1, further comprising: a database for storing information related to the payment obligation, including data to perform the appropriate function (See Graff Figure 2 and Column 27 lines 55-65). The data for performing the appropriate function is interpreted to include data indicating current status for a triggering event associated with the payment obligation.

With reference to claim 5, Graff teaches a computer system for storing data for use by a process, the memory comprising: a structure representing a financial instrument reflecting an obligation of a first party to make at least one payment, triggered by at least one event associated with the payment obligation, to a second party, wherein the structure indicates that the financial instrument is held by a third party in a form decoupled from the payment obligation such that the financial instrument can be conveyed independently of the payment obligation (See Graff Figure 2 and Column 5 line 1 – Col6 line 52). The computer system includes a memory (See Graff Column 27 lines 55-65). The financial instrument is interpreted to include a guarantee against loan default, the events are interpreted to include default-related events involving loans, and the payment obligations are interpreted to include loan payments.

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With reference to claim 6, Graff teaches a memory of claim 5, further comprising: a database for storing information related to the payment obligation, including data to perform the appropriate function (See Graff Figure 2 and Column 27 lines 55-65). The payment obligation is interpreted to include a loan and the data for performing the appropriate function is interpreted to include data indicating current status for a triggering event associated with the loan.

With reference to claim 7, Graff teaches a memory of claim 5, wherein the financial instrument is tradable by the third party (See Graff Column 10 lines 18-25). The financial instrument is interpreted to include the guarantee.

With reference to claim 8, Graff teaches a method for issuing a financial instrument representing an obligation of a first party to make payments triggered by certain events associated with the payment obligation to a second party, the method comprising the steps of: pooling instruments representing financial obligations; identifying and segregating cash flows paid to satisfy the financial obligations; and issuing financial instruments that entitle a holder of the financial instruments to receive at least one payment triggered by at least one event (See Graff Column 5 line 1 – Column 6 line 52). The financial instruments are interpreted to include guarantee certificates also.

With reference to claim 9, Graff teaches a method of claim 8, wherein the step of identifying and segregating cash flows includes the step of: creating a trust for holding the pooled instruments; and paying through the trust certain cash flows to the holder of the certificate (See Graff Column 4 lines 46-52).

With reference to claim 10, Graff teaches a method of claim 8, wherein the guarantee certificate is tradable (See Graff Column 10 lines 18-25).

With reference to claim 11, Graff teaches a method for issuing a financial instrument representing an obligation of a first party to make payments triggered by certain events involving a loan to a second party, the method comprising the steps of: pooling securitized instruments into a pool; identifying and segregating cash flows associated with each of the securitized instruments in the pool; and issuing a financial instrument that entitles its holder to receive at least one payment triggered by at least one of the events (See Graff Column 5 line 1 – Column 6 line 52). The financial instruments are interpreted to include guarantee certificates, the events are interpreted to include default-related events involving loans, the pool of securitized instruments is interpreted to include a reference pool of loans and the payment obligations are interpreted to include loan payments.

With reference to claim 12, Graff teaches a method of claim 11, wherein the financial instrument is tradable (See Graff Column 10 lines 18-25).

With reference to claim 13, Graff teaches a method for issuing a financial instrument representing an obligation of a first party to make a payment triggered by a certain event involving the payment obligation to a second party, the method comprising the steps of identifying and segregating cash flows associated with the payment obligation; and issuing a financial instrument that entitles its holder to receive a payment triggered by an event (See Graff Column 5 line 1 – Column 6 line 52). The financial instruments are interpreted to include guarantee certificates.

With reference to claim 14, Graff teaches a method of claim 13, wherein the financial instrument is tradable (See Graff Column 10 lines 18-25).

With reference to claim 15, Graff teaches a method for issuing a financial instrument representing an obligation of a first party to make payments triggered by certain events involving a second party, the method comprising the steps of pooling instruments into a pool; determining a payout formula attributable to the pool; and issuing a financial instrument that entitles its holder to receive at least one payment triggered by at least one of the events (See Graff Column 5 line 1 – Column 6 line 52). The financial instruments are interpreted to include guarantee certificates, the events are interpreted to include default-related events involving loans to a second party, the pool of instruments is interpreted to include a reference pool of loans and the preferred/residual decompositions of remainder interests are interpreted to include a payout formula.

With reference to claim 16, Graff teaches a method of claim 15, wherein the financial instrument is tradable (See Graff Column 10 lines 18-25).

With reference to claim 17, Graff teaches a method of claim 15, wherein the step of determining a payout formula includes using stored models for the various components of the invention (See Graff Figure 2 and Column 25 line 62 – Column 27 line 30). The step of using stored models is interpreted to include the step of modeling a separate loan pool to determine the payout formula.

With reference to claims 18, 24 and 30 Graff teaches a method, a system and a computer program product respectively, for administering a financial instrument representing an obligation of a first party to make payments triggered by an event involving the payment obligation to a second party, the method comprising the steps of: determining when the triggering event has occurred; calculating a payment; and causing a holder of the guarantee certificate to be paid the

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calculated payment (See Graff Figures 2-6, Abstract, Column 5 line 1 – Col6 line 52 and Column 25 line 62 – Column 27 line 30). The financial instruments are interpreted to include guarantee certificates also.

With reference to claims 19, 25 and 31 Graff teaches a method of claim 18, a system of claim 24 and a computer program product of claim 30 respectively, wherein the computer system queries the user as to whether the user wants to retrieve one of the data files (See Graff Column 27 lines 55-65) and computes the probability of changes in the values of one of the components of purchase (See Graff Column 48 lines 9-26) based on changes in the values of the input. The steps of querying the user and computing the probability are interpreted to include the step of determining when the triggering event has occurred including: querying an information source for a current status of the payment obligation; and comparing the current status to the triggering event.

With reference to claims 20, 26 and 32 Graff teaches a method of claim 18, a system of claim 24 and a computer program product of claim 30 respectively, wherein the computer system queries the user as to whether the user wants to retrieve one of the data files (See Graff Column 27 lines 55-65) and computes the probability of changes in the values of one of the components of purchase (See Graff Column 48 lines 9-26) based on changes in the values of the input. The steps of querying the user and computing the probability are interpreted to include the step of determining when the triggering event has occurred including: accepting a current status of the payment obligation; and comparing the current status to the triggering event.

With reference to claims 21, 27 and 33 Graff teaches a method of claim 18, a system of claim 24 and a computer program product of claim 30 respectively, the entities are pass-through



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entities for US federal tax purposes (See Graff Column 4 lines 47-52). The pass-through entities imply a dollar-for-dollar pass through entities and the step of calculating a payment is interpreted to include calculating a payment as a dollar-for-dollar pass through of an amount paid by the first party.

With reference to claims 22, 28 and 34 Graff teaches a method of claim 18, a system of claim 24 and a computer program product of claim 30 respectively, wherein the step of calculating a payment includes: calculating a payment as an amount determined by formula based on a predetermined event trigger (See Graff Abstract). The default condition recited in the abstract is interpreted to include a predetermined triggering event.

With reference to claims 23, 29 and 35 Graff teaches a method of claim 18, a system of claim 24 and a computer program product of claim 30 respectively, wherein a document is generated when the triggering event has occurred (See Graff Abstract). The step of generating a document when the triggering event has occurred is interpreted to include the step of causing a holder of the guarantee certificate to be paid including issuing instructions to an agent to pay the payment to a holder of the guarantee certificate.

### ***Conclusion***

4. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

(a) Gould et al. (US Patent 5966700) (October 12, 1999) Management System for Risk Sharing of Mortgage Pools


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(b) Meyer et al. (US Patent 6330541 B1) (December 11, 2001) System and Method for Controlling and Securitizing the Cash Value Growth and/or Death Benefits of a Large Pool of Insurance Policies

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (703) 305-4878. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (703) 308-1065. The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703) 305-7687. Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113.

N. Subramanian  
October 21, 2002



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